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DISTRICT COURT

By Overnight Delivery

Ms. Bethaney Healey, Courtroom Clerk to the
Honorable Kenneth P. Neiman
United States District Court
For the District of Massachusetts
Western Division
Federal Bldg & Courthouse
1550 Main Street
Springfield, MA 01103

Re: *Kleinerman v. Salour*, C.A. No. **05-CV-30016-MAP**

Dear Ms. Healy:

This letter will serve as Defendants' interim report to the Court on settlement progress. Ordinarily, Defendants would have sent a letter jointly with Plaintiff on August 1, as contemplated in the Scheduling Order, but I received today a Plaintiff's Report on the Failure of the Parties to Settle the Case, which was apparently submitted for filing by the Plaintiff. Plaintiff offered no discussion or warning to Defendants of his intention of filing this Report.

In Defendants' view, Plaintiff's invective and prematurity are unwarranted but nevertheless exacerbate Defendants' concern that Plaintiff plans to use customer names for coercive purposes, knowing that his royalty recovery, even if he proves infringement, will be minuscule. Plaintiff's "Report" fails to mention (a) that Defendants offered to show him quantity, price, date, and field of use of all accused products sold at a settlement meeting and (b) that Plaintiff informed Defendants indirectly on July 19 that he would not participate in a settlement meeting or telephone call. Defendants respectfully submit that this letter is a more accurate version of the current status.

Very truly yours,


James A. G. Hamilton

JAGH/wbh

cc: Mr. Marcos Y. Kleinerman (by facsimile)
6509-401-LtUSDC